

## Highlights of Statements - 2006

### Panel 1

#### National Association of Tax Professionals

##### *Primary Issues:*

- IRS customer service must be focused as an element to help achieve compliance.
- The IRS should use what it learns from enforcement to educate the public so that enforcement issues decline and the result is better service to the taxpaying public
- Educating the public is complicated by complex tax laws and the frequency with which they change
- Better education, for IRS employees, for taxpayers, for tax practitioners will enhance compliance. Education about civic duty (filing and paying taxes) should be provided as part of secondary school education
- IRS must accelerate the implementation of modernized systems, but also must realize that not all taxpayers are technologically capable. There is still a need for alternate delivery systems for these customers
- IRS should eliminate duplication of services to conserve resources. Communication channels are duplicated across the Service. NATP recommends elimination of the IRS Nationwide Tax Forums and suggests instead that the IRS provide speakers and information to practitioner organizations that already provide similar educational opportunities for tax professionals.
- Barriers to good customer service include:
  - inherent bureaucracy where attitudes and processes are institutionalized;
  - significant turnover of personnel with little continuity in transition;
  - the ticking retirement bomb for IRS baby-boomer personnel;
  - too much interference from Congress over IRS' operational decisions and continual tax law changes;
  - the inability to coordinate services to give taxpayers quick resolution to their problems;
  - customer service gets lost in standardized operating procedures, pecking order, turfism, and the lack of accountability

## **REVISE BLUE**

### **American Institute of Certified Public Accountants (AICPA)**

#### *Primary Issues:*

- IRS can leverage external stakeholders by taking advantage of each profession's efforts

### **American Bar Association Section of Taxation**

#### *Primary Issues:*

- NTEU strongly supports a 10% increase in IRS funding for FY2006; the IRS is an agency that generates revenue for the government and Congress should provide a budget

### **Tax Executives Institute**

#### *Primary Issues:*

- NAEA has not yet provided their statement

### **University of Connecticut Tax Clinic**

#### *Primary Issues:*

- NAEA has not yet provided their statement

### **National Association of Enrolled Agents (NAEA)**

#### *Primary Issues:*

- NAEA has not yet provided their statement

### **Internal Revenue Service Advisory Council (IRSAC)**

#### *Primary Issues:*

- The IRSAC is very concerned about the lack of effective oversight, control and regulation of the entire tax preparation community and its effect on voluntary compliance and tax administration.

- A significant number of tax preparers, as many as 900,000 by some estimates, operate without standards of professional conduct, entry-level educational standards, or attainment of recognized credentials.
- Tax law is complex, many taxpayers need or want the assistance of a professional to complete their tax returns, and are under the impression that the industry is regulated.
- IRSAC believes the need to regulate the entire community of tax preparers is long overdue.
- IRSAC believes that it is essential that IRS expand e-Services as quickly as possible and include a greater array of stakeholders.
- Problems remain with the Offer in Compromise program. IRSAC believes that the IRS should strengthen its tracking system for accepted Offers to ensure those taxpayers stay compliant.
- IRSAC's November Report makes several key observations and recommendations:
  - Closing the tax gap is imperative and crosses all IRS divisions.
  - The IRS needs to "touch" more taxpayers, through notice, communication or audit to both increase voluntary compliance and collect unpaid taxes.
  - The IRS can make better use of risk assessment tools, such as the National Research Program and better data analysis.
  - IRSAC believes the IRS needs to "grow" its workforce, in terms of education and skills, and address the impending retirements of a large number of senior employees by determining the best ways to identify, train and incorporate new employees into the workforce.

## **National Society of Accountants (NSA)**

### *Primary Issues:*

- Tax practitioners are the IRS' greatest allies and in the front line of tax administration – they work to educate taxpayers to adhere to the tax code and regulations, facilitate tax filings and collection of accounts, and ensure taxpayers are treated fairly by the IRS.
- The IRS needs to work closely with external stakeholders to create a more compliant taxpayer population. Essential to this process is a formal means of communication for practitioners and the IRS to meet and discuss issues of mutual concern.
- Local level IRS/practitioner liaison activities benefit the IRS by providing a means for the dissemination of new IRS practices and procedures to local unenrolled tax practitioners who may not belong to a national organization; alert the IRS and practitioners to local tax scams and fraud; serve as an early warning system for systemic problems at the local level that have nationwide implications.
- Reducing IRS communication with practitioners, as will occur with the downsizing of SBSE TEC, may reduce other benefits to the IRS that will be greater than the dollar cost savings the IRS may realize from reassigning personnel to compliance functions.